



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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April 5, 1995

CERTIFIED RETURN RECEIPT
P 074 978 937

Mr. Robert Steele
1055 North 400 East
Nephi, Utah 84648

Re: Completion of the Reclamation Contract and Permit Transfer Forms, Nephi Gypsum Mine, M/023/011, Juab County, Utah

Dear Mr. Steele:

The Division sent Mr. Antony Peck a certified letter on December 11, 1992, requesting that a permit transfer form and a reclamation agreement form be filled out. A site inspection was carried out by Mr. Holland Shepherd and Mr. Wayne Hedberg of the Division on June 3, 1993. Onsite discussions occurred with you and Mr. Tony Peck regarding these permitting requirements and urgency of completing the Operator Transfer Form (FORM MR-TRL) and Reclamation Contract (FORM MR-RC), as soon as possible. During this inspection, you and Mr. Peck indicated that these forms would be completed and forwarded to the Division right away. We still have not received these forms. The Division holds a \$17,900 reclamation surety (letter of credit) under the name of Mr. Anthony Thomas Peck.

Mr. Thomas Peck of Thomas J. Peck and Sons, approved operator of the Nephi Gypsum mine, has requested that the mine permit be formally transferred to the current operator of the mine operation. Mr. Thomas Peck originally signed a transfer form in October of 1992 which indicated that the current operator was Mr. Robert Steele and/or Mr. Jack Dansie. Mr. Anthony Thomas Peck was listed as the authorized representative for the operator.

Please find enclosed the original information taken from the Transfer form that Mr. Peck filled out for your reference. New forms will need to be filled out, signed by both the Transferor and the Transferee and be properly notarized. The form must be signed by the authorized officer/agent of the company or corporation now responsible for the mining and final reclamation of the site. Please pay particular attention to section 3(c) of the transfer

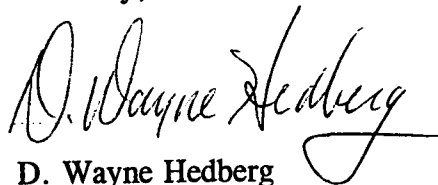
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form. It is important that a detailed legal description (to at least the quarter-quarter section) be attached, and an accurate disturbed area map reflecting the actual onsite disturbance at the time of formal permit transfer. A maximum map scale of 1 inch = 200 feet is requested (1" = 100' preferred).

Also enclosed is a copy of the our Reclamation Contract (form MR-RC). This form must be completed and signed by the new operator's authorized officer/agent. We have attempted to fill in certain sections of the form for you. If any sections are in error, please provide appropriate corrections. Anywhere, you see an asterisk on the form, please provide the requested information. A guideline is enclosed to assist you in completing this form.

We cannot over emphasize the importance of having this paperwork completed in a timely manner. Nearly two years have passed since the Division last understood that you would expeditiously pursue the filling out these forms. If we cannot resolve this matter to our mutual satisfaction within the near term, we will be forced to take appropriate enforcement action to correct these permitting concerns. Obviously, we would prefer not having to follow that course of action. Please complete the required forms and return them no later than April 28, 1995. If you have any questions or concerns in this regard, please contact me or Mr. Tom Munson of my staff. Thank you in advance for your understanding and immediate attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "D. Wayne Hedberg". The signature is written in dark ink and is positioned above the printed name and title.

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Enclosures: MR-TRL, MR-RC, guideline
cc: Lowell Braxton
Tom Munson
M023011.let